



two York Region's Economic Performance

2. York Region's Economic Performance

In early 2004, the consulting firm of Essential Economics Corporation was retained to undertake a research study on the Region's economy as part of the Strategy development process. The descriptive statistics were based on Statistics Canada data. Some of the data were specifically tabulated by Statistics Canada for this research study.

In addition, existing research and data that were available in the York Region Planning and Development Services Department were used to develop a more comprehensive understanding of the Region's economic performance. As well, data and information from other relevant studies and sources such as the Greater Toronto Marketing Alliance and the Conference Board of Canada were also incorporated.

2.1 Overview

The economy of York Region can be characterized by five attributes: scale, rate of growth, diversity, expertise and the evolution to a knowledge economy.

These characteristics offer a useful framework to understand the changes in the Region's economy and provide a basis for developing new policies and initiatives to guide future economic development.

The primary measure of an economy's scale is Gross Domestic Product (GDP).

In 2002, York Region's GDP was \$33.2 billion. The size of the Region's economy is of provincial scale, and in fact is larger than any of the Atlantic Provinces in Canada. All aspects of the Region's economy: GDP, employment, number of enterprises, export revenues, and corporate profits, are all large by Canadian standards. The annual average growth rate of the Region's GDP between 1991 and 2002 was 6.2%, a rate considerably higher than the 4.1% of the surrounding Toronto Census Metropolitan Area, and the 3.7% growth rate for the Province of Ontario as a whole. Clearly, York Region has a very dynamic economy.

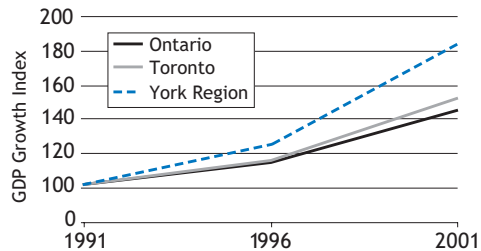
In 2003, the total of all industrial commercial and institutional (ICI) construction was more than \$872 million, while overall construction values topped \$2.72 billion, placing York Region as having the fourth largest amount of construction across Canada.

Significant employment gains have been fuelled by the growth of the population. No one sector predominates which stabilizes the Region from cyclical shifts in the national and global economies. The composition of the Region's economy also reveals a diversified base that is becoming more service oriented.

The scale of enterprise formation is significant. The number of enterprises resident in York Region has increased at a startling rate, up 43.3% between 1999 and 2003. Statistics Canada data for 2003 revealed that over 60% of York Region's enterprises were owner-managed and had no payroll employees. The growth in the number of enterprises without payroll employees was approximately 68% between 1999 and 2003, and clearly demonstrates the entrepreneurial capabilities of the Region's growing population base. At the other end of the scale, the substantial rate of growth in the number of large companies demonstrates York Region's ability to attract and sustain corporate investment and resulting job creation.

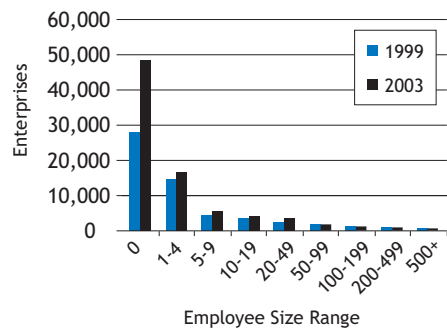
In 2003, exports accounted for \$12.5 billion or 38% of the Region's GDP, which exceeds the export sales of six Canadian provinces. The destination of York Region exports was also more diverse than Ontario as a whole, a reflection of the increasing ethnic diversity of the Region's companies.

Real GDP Growth
Ontario, Toronto CMA and York Region
1991 - 2001



Source: Statistics Canada, Essential Economic Corporation, and Community Benchmarks

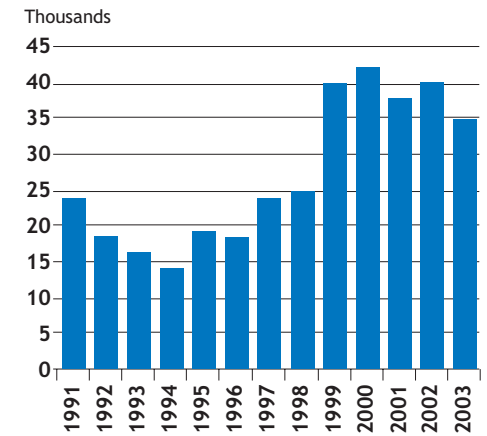
Enterprises by Employee Size Ranges
York Region
1999 and 2003



Source: Statistics Canada, Canadian Business Patterns

The performance of York Region's companies in terms of Research and Development (R&D) is somewhat lower than expected given the scale and diversity of the Region's economy. However, this may be due to the presence of many branch plants and subsidiary operations where R&D is not a mandated activity. Given the emergence of a strong technology-driven cluster and the evolution of more service-based companies, there is reason to suspect that the Region's R&D performance will increase over time.

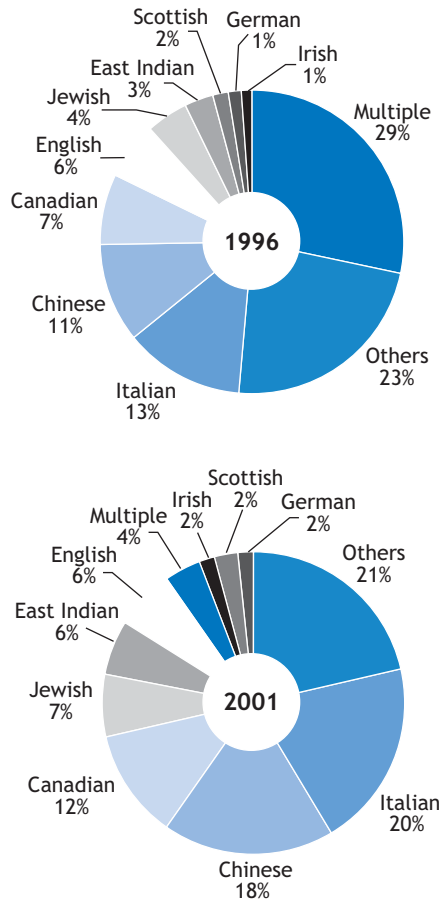
York Region Annual Population Growth
1991-2003



Source: York Region Planning and Development
Service Department, 2003

2.2 Attributes of York Region's Economy

Ethnic Composition in York Region
1996 and 2001



Source: Statistics Canada
1996 & 2001 Census Canada

Current Population and Projected Growth

During the period 1996 to 2001, York Region was the fastest growing Census Division in Canada. It continued to grow at a rapid pace throughout 2003, although slightly less than in recent years. The Region is now home to over 870,000 people, an increase of 4.1% over 2002. During 2003, 27% of GTA's population increase occurred in York Region. The Region now ranks sixth in population size compared to all urban areas across the country. This strong population growth has been a driving force behind the Region's economy, supplying consumers for products and services, contributing to the rate of increase in construction levels, and providing a skilled labour force which is the single most important factor for businesses locating in the Region. Between 1991 and 2001 Census years, York Region's resident labour force increased by almost 44%, from 270,000 to 387,000, which is approximately 14.8% of the labour force of the entire GTA.

York Region is expected to continue to grow at a rapid rate. By 2026, the population of the Region is forecast to be 1.28 million, up from 870,000 in 2004. This growth will continue to increase demands on transportation and servicing infrastructure and has also served to increase the awareness of the need to retain quality of life, to manage growth and to provide public services to meet this growth.

Changing Demographics and Diversity

As York Region's population continues to grow, the age, economic, social and ethnic composition of the Region will change. The aging and retirement of the baby boom generation continues to increase pressure on business to recruit and train workers with the necessary skills. The low birth rates in the Region and the GTA underscore the importance of immigration assimilation initiatives as the Region will be competing with other jurisdictions for skilled labour. Internationally trained workers will become a key segment of a higher-skilled labour force demanded by business and industry. These demographic impacts will also have implications for health care, education, housing and community services sectors. By 2011, Canada will depend entirely on immigration for labour force growth. This will lead to increased ethnic and cultural diversity in the Region bringing new market opportunities and will place new and different demands on service providers.

Continuing Employment Growth

York Region's employment growth has exceeded the national and provincial averages over the last five years. Between 1998 and 2003, employment in the Region has grown at an annual average rate of 7.1%, while national and provincial employment grew at annual average rates of 2.3% and 2.7% respectively.

Employment growth continues to outpace the Region's population growth. Since 1971, employment in York Region has grown at a rate faster than its population growth. The Region's employment growth is driven by immigration from within the Toronto CMA and beyond. York Region's share of total employment within the Greater Toronto Area is also increasing. In 1986, York Region had an 8% share of the total employment in the GTA. By 2001, this figure had jumped to 15% reflecting the increasing attractiveness of the Region as a location for employment.

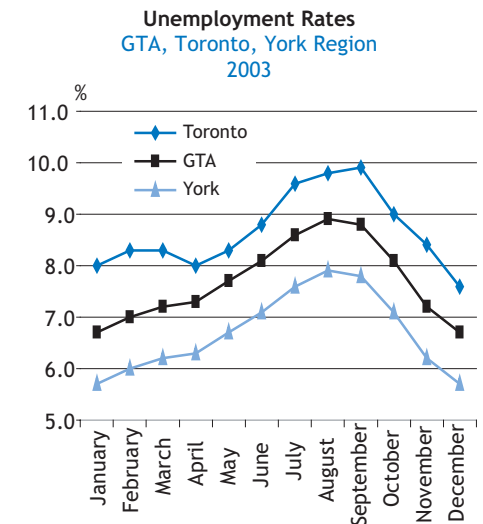
Full time employment accounted for approximately 79% of jobs in the Region in 2003, which was at about the same level as in 1998. The number of part-time jobs increased slightly as a portion of overall employment during this period, rising from 14.5% to 16.5%. Seasonal employment accounted for the remaining jobs in 2003. This reflects the overall health of the Region's labour market with full time and part time employment occurring at a similar rate.

As of December 2003, the estimated number of jobs in York Region was approximately 415,000 (excluding home and farm-based employment), an increase of 10,000 compared to the year before. The participation rate (the total number of people working as a percentage of the working age population) of 71.3% is higher than Ontario's (67.3%) and Canada's (66.4%) rates.

Due to an increased labour force participation rate, the Region's unemployment rate is approximately 5.7%, which is lower than the GTA unemployment rate as a whole.

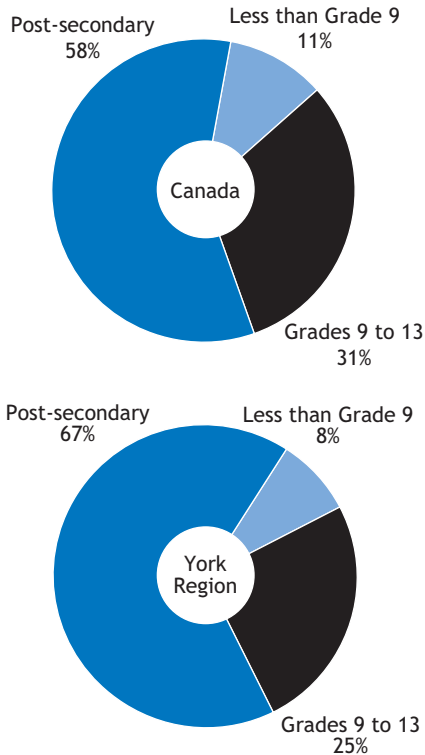
In 2001, the number of York Region's resident employed labour force was 387,700, a 43.6% increase from 1991. The live-work ratio had improved from 50.6% in 1991 to 53.8% in 2001, but it remained the lowest in the GTA.

Research suggests that there is still an imbalance between the occupational structure of the resident labour force and the places where the Region's residents work. In 2001, the number of York Region residents in the management, business and finance, social science, education, and government occupational categories was significantly larger than the number of jobs available in the Region. At the same time, the number of jobs available in the Region was significantly larger than the number of residents employed in the manufacturing and processing related occupation, as well as in construction and related trades.



Source: Toronto Economic Development Division, Toronto Economic Indicators 2003
Note: York Region unemployment figures are estimates

**Educational Attainment
Canada and York Region
2001**



Source: Statistics Canada

Highly Educated and Skilled Labour Force

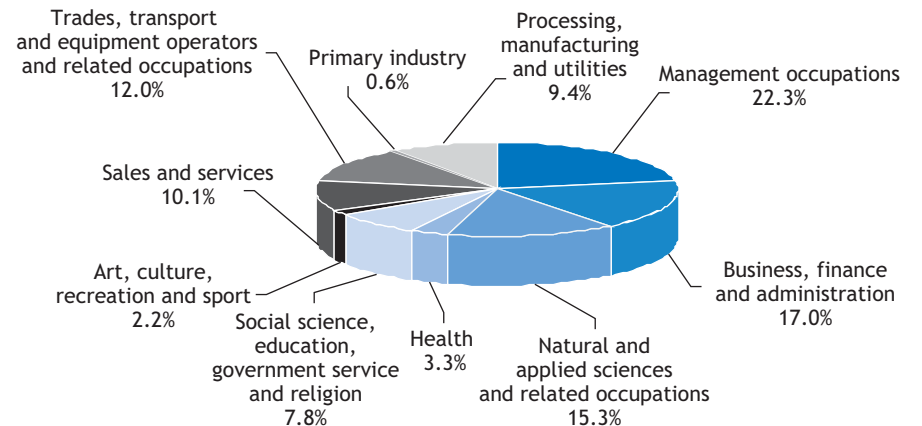
The Region's labour force consists of a higher percentage of workers with post-secondary education as compared to the rest of the GTA or the Province. This is a reflection of the emergence of a strong and diverse range of technology-based businesses in the Region. The growth in employment and enterprises within the professional, scientific and technical services speaks well for the Region's economy and indicates a growing inventory of skills and expertise which are the foundations of future prosperity.

In a knowledge-based economy, lifelong learning becomes essential to maintain skills and labour force quality which in turn supports a competitive and prosperous economy. Within York Region, a number of companies have formed partnerships with training and education organizations to provide employees with opportunities for workplace training and skills development, but more concerted efforts will be required in the future.

Transitioning to a Knowledge Economy

The composition of York Region's employment base also reflects a rapidly adapting economy. Although manufacturing remains the primary employer, the business services sector was the fastest growing segment of the economy. During the five-year period from 1998 to 2003, employment in goods-producing industries grew at an average annual rate of 2.7%, while the average annual increase of service-oriented jobs was 5.9% per year. This growth in services employment reflects the trend in the economies of the developed world. The decline in manufacturing jobs could possibly be explained by increased industry automation and/or increased productivity among workers. The growth in service-producing jobs tends to indicate a growing knowledge economy in York Region which is defined by a combination of both high technology and a highly skilled workforce.

**York Region's Employment Growth by Occupation
1996-2001**



Source: Statistics Canada, 1996 & 2001 Census Canada

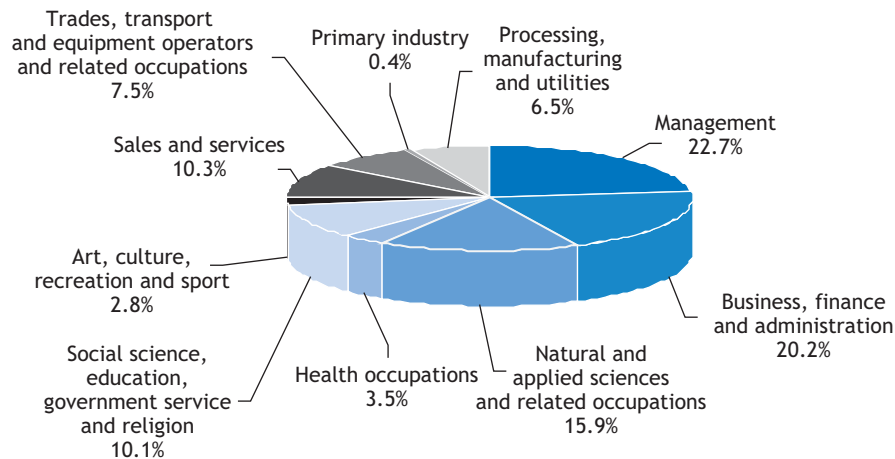
Labour Force and Housing

York Region's competitiveness to retain and attract economic investment depends on the availability of a diverse labour force. The availability of appropriate housing is one of the important factors that influence people's choice of their place of residence. A wider variety and more affordable housing will ensure that the Region's labour force continues to expand.

York Region's housing stock is diversifying as the market demands and land use policies evolve to encourage a higher density built form. However, single family detached housing is still the dominant form of new home construction. Over 72.3% of the housing built in York Region in 2003 was single family detached dwellings. Moreover, the average price of housing in York Region is high: the average resale price of a single family home in 2003 was \$336,876, 15% above the average price in the GTA. Conversely, the number of rental units in York Region has decreased to 14% of the total housing stock and is the lowest in the GTA.

Recent research by the Region reveals that a sizeable number of people engaged in manufacturing processing, construction and trades within York Region live outside the Region, and that many of these in-commuters live in rental accommodation. The need to address the supply of more affordable and rental housing will have a direct impact on the Region's ability to continue to attract and sustain jobs in these sectors. The York Region *Employers Opinion Survey 2004* confirmed that the availability of affordable rental as well as owned housing has a significant impact on the capability of employers to attract and retain their labour force.

York Region Resident Employed Labour Force
Growth by Occupation
1996-2001



Source: Statistics Canada, 1996 & 2001 Census Canada

Two: York Region's Economic Performance continued...

Top Private Sector Employers in York Region, 2003

Rank	Business Name	Location	# of Employees	Industry Description
1	Magna International Inc.	York Region	12,100*	Manufactures automotive components & systems
2	IBM Canada Ltd.	Markham	6,260	Provides information technology solutions
3	Paramount Canada's Wonderland	Vaughan	3,990	Amusement Park
4	Royal Group Technologies Ltd.	Vaughan	3,800*	Manufactures polymer-based home improvement, consumer & construction products
5	Acklands - Grainger	Richmond Hill	2,700	Trucking company
6	Amex Canada	Markham	2,300	Financial services & call centre
7	Miller Paving Limited	Markham	2,050	Road construction engineering services, paving, & manufacture asphalt
8	Con Drain Co. (1983) Ltd.	Vaughan	1,350	Sewer & water main contractors
9	Sears Canada National Service Centre	Vaughan	1,200	Distribution centre for Sears retail stores
10	ATI Technologies Inc.	Markham	1,140	Designs & manufactures innovative 3D graphics solutions
11	Progressive Moulded Products Ltd.	Vaughan	1,020	Manufactures custom injection moulds for automobiles & appliances
12	Panigas Group of Companies	Vaughan	960	General contractor, manufacturing signage & exhibits
13	Economist & Sun	Markham	910	Newspaper publisher
14	Dynatec Corporation	Richmond Hill	900	Provides contract mining, mine development & underground construction services
15	A.C. Nielsen of Canada Ltd.	Markham	850	Market research
16	Highland Transport	Markham	780	Trucking company
17	Canac Kitchens	Markham	750	Manufactures kitchen cabinets & counters
18	Steelcase Canada Ltd.	Markham	750	Manufactures office furniture
19	Nova Services Group Inc	Vaughan	720	Janitorial services contractor
20	Noma Automotive	Vaughan	700	Manufactures wiring products for vehicles & appliances
21	CGI Adjusters Inc.	Markham	680	Independent adjusters for insurance claims
22	407 ETR	Vaughan	680	Administration & Maintenance of Highway 407
23	Canadian National Railway	Vaughan	670	Rail based transportation & real estate services
24	Allstate Insurance	Markham	650	Insurance carrier
25	The Toronto Star Press Centre	Vaughan	630	Newspaper printing centre
26	Toromont Industries Ltd.	Vaughan	620	Distributes & services heavy construction equipment & engines
27	Scholastic Canada Ltd	Markham	600	Publishes & distributes children's books & educational materials in both official languages
28	Crown Metals Packaging	Vaughan	600	Manufactures metal containers
29	Novex Pharma	Richmond Hill	560	Pharmaceutical company
30	Concord Transportation Inc.	Vaughan	550	Trucking company
31	Quebecor World Aurora	Aurora	550	Commercial printer / publisher
32	Exco Technologies Ltd.	Markham	550	Manufactures die-cast moulds & extrusion tooling
33	Emerson Electric Canada	Markham	530	Manufactures climate control systems, tools, appliances & industrial automation systems
34	Robert B. Somerville	King	530	Pipeline & utility installation contractors
35	Maritimes Health	Markham	520	Insurance carrier
36	Woodbridge Foam Corp.	Vaughan	510	Manufactures automotive polyurethane foam components
37	Waterford Building Maintenance Inc	Richmond Hill	510	Janitorial services contractor
38	Hewlett Packard (Canada) Ltd.	Markham	500	Computer sales, service & corporate administration
39	Omega Direct Response	Markham	500	Call center services company
40	Sciex Division of MDS Health Group	Vaughan	500	Involved in research, design & production of mass spectrometers

Note: * Includes employees of subsidiary companies located in York Region. This table represents private-sector employers with 500 or more employees working in York Region.
Source: York Region Planning & Development Services Dept.

Enterprises in York Region

Based on data from Statistics Canada, York Region had a total of 79,600 business enterprises in 2003. The number of enterprises does not reflect those businesses that had less than \$30,000 in business revenue and therefore undercounts the total number of business enterprises within the Region. Of the total number of enterprises, over 48,000 had no recorded “payroll employees”, which implies that these were owner-managed businesses. This testifies to the tremendous degree of entrepreneurial potential that exists within York Region.

Small firms are the predominant form of enterprise in York Region, with over 93% of the firms employing less than 20 people in 2003. However, there is also substantial growth in the number of larger firms employing over 100 employees. Between 1999 and 2003, companies with 100 to 199 employees increased by 53%, between 200 and 499 employees by 92%, and those with over 500 employees increased by 42%. This rate of growth points to a dynamic and healthy economy, and suggests that the Region has both the ability to attract and accommodate new growing enterprises, as well as foster its own enterprises to expand to higher employee size ranges.

The fastest growing types of enterprises are within the Business Services sector. In particular, the substantial increase in the number of professional, scientific and technical services industries in York Region mirrors a common trend towards a services based economy in North America. Between 1999 and 2003, businesses in these industries accounted for over 25% of the total business enterprise growth within the Region.

Industry Clusters

York Region has a diverse economic base characterized by a wide variety of industry sectors and enterprise sizes. No one sector has an overwhelming dominance thereby making the Region more resistant to the effects of industry specific downturns in domestic or international markets. It also provides a continuum of job opportunities from entry level to senior management occupations.

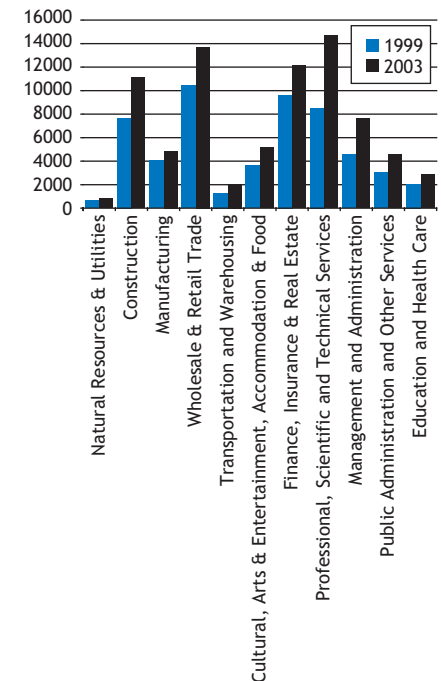
An analysis of the Region’s employment and company concentration reveals that there are established or emergent clusters of export-led companies in the following industries:

- Information technology
- Biotechnology
- Automotive parts
- Business services
- Furniture
- Materials (rubber, plastics non-metallic, aggregates)

In addition, York Region has a thriving agricultural industry which makes a significant contribution to the local economy.

Many recent industries have demonstrated that strong industrial clusters contribute to sustained regional economic growth, depending on their stages in the life cycle, the economic cycle, and the degree of maturity of the technology involved. “Clusters are typically identified where there is a geographic concentration of interrelated firms involved in a common field.”² They affect competition by increasing productivity of companies based in the area, by driving the pace of innovation, and by stimulating the formation of new businesses.

Enterprise Distribution by Industry
York Region, 1999 and 2003



Source: Statistics Canada, Canadian Business Patterns

- **Information Technology**

The Information and Communications Technology (ICT) cluster was recently documented in a comprehensive analysis by E&B Data, commissioned by the Greater Toronto Marketing Alliance to undertake the study ³. The GTA region has the largest concentration of medium and large ICT companies in Canada and ranks as the third largest technology complex in North America. Of the 3,362 ICT facilities located in the GTA, 654 or 19% are located in York Region and include industry heavyweights such as IBM, ATI, Motorola Canada, All Stream, and CGI Group.

This cluster acts as a strong propulsive influence for the Region's economy. While 24% of the ICT firms in the Region serve other ICT companies, the majority of these companies have strong ties and customer relationships with companies in other industry sectors. The study showed that 65% of the ICT companies surveyed planned new capital investments in their facilities in the coming year, and 25% of the companies expect to grow faster than the economy over the next few years.

- **Biotechnology**

A preliminary survey of biotechnology sector-related companies has identified that over 120 companies located in the Region are involved in medical device, biopharma, and medical assistive technologies. In addition, a large number of companies in the information and communications technology, digital media, software, and manufacturing sectors also contribute to this biotechnology cluster.

In 2003, the Region, its area municipalities and over 30 other members collaborated on the establishment of a York Regional Biotechnology Cluster Consortium (YRBCC) to develop a Biotechnology Cluster Innovation Plan. The mission of the YRBCC is to be a strategic catalyst that will sustain and grow the convergent life sciences industry. The comprehensive and convergent approach will result in the creation of new technologies and spur growth of companies, especially small and medium size enterprises (SME's) in the cluster. This initiative will enable members to engage in greater collaboration across identified niche sectors, catalyze the advancement of early-stage and global companies, and increase opportunities for interdisciplinary research in the area of convergent technologies. The YRBCC will play a key role in support of the Region's Economic Strategy by helping to develop a regional innovation network and expand opportunities for shared research and innovation.

- ***Automotive Cluster***

The automotive cluster is Ontario's most important export industry and is a significant feature of the manufacturing landscape of York Region. Magna International Inc. and its related companies employ over 12,000 people within York Region. In addition, there are 17 companies in the automotive parts sector that employ over 200 employees, and over 70 companies in the transportation equipment industry employ more than 100 employees. The automotive industry also embraces several hundred small supplier companies in the machinery and equipment, fabricated metal, and electrical equipment industries. Given the rapid technological advances and the changes in the way new automotive components and systems are developed, this sector will drive a significant demand for specialized labour in occupations such as research, tool and die making, and engineering skills, and will be a major catalyst for technology-based growth in the Region.

- ***Business Services***

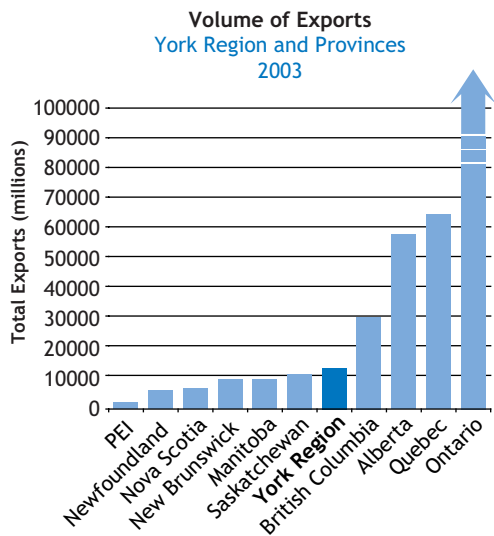
In the period 1991 to 2001, the most significant shift in York Region's employment base was the growth of the services sector. In those ten years, employment in business services rose from 9.1% of the labour force to almost 13%. Over half of this growth was accounted for by increasing numbers of jobs in occupations in management, finance and business administration, and the natural and applied sciences fields. The growth of business services reflects a rising global trend in the industrial world. Increasing global competition is forcing business to look for more efficient and effective ways to contain the costs of doing business and large scale enterprises are outsourcing non-core business functions. This has created a strong demand for sophisticated business services and appears to be a longer-term trend.

- ***Furniture***

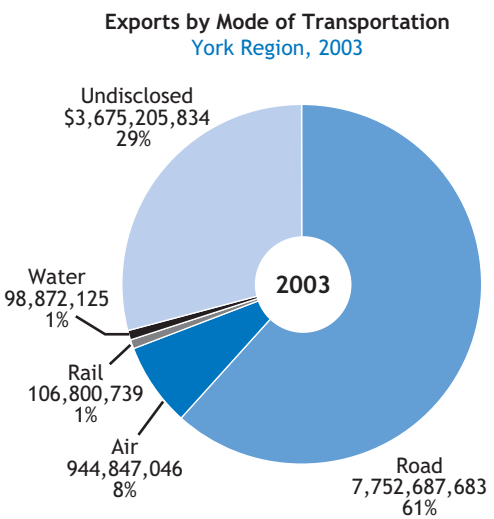
While driven in part by the significant growth in population and resultant demand in the residential and commercial sectors, the furniture cluster remains a strong part of the Region's economy owing to the availability of specialized labour and the location advantages of the Region. According to the 2003 Employment Survey, there were 146 companies involved in household and institutional furniture manufacturing in the Region. Of these, Canac Kitchens employs over 500 employees and two others, Raywall Kitchens Ltd. and Gracious Living Industries Inc., each employ more than 200 people. In addition, 63 York Region companies manufacture office furniture, the largest being Steelcase Canada Ltd. which employs more than 500 staff. There are also 23 other furniture-related product manufacturers in the Region.

- ***Materials (Rubber, Plastics, Non-metallic Mineral Product Manufacturing, Primary Metal Manufacturing, and Fabricated Metal Product Manufacturing)***

The materials sector is a major supplier for the automotive parts and furniture sectors. In the period 1998 to 2003, employment in the plastics and rubber products manufacturing sector in the Region grew 44.3%. In York Region, 105 companies are involved in plastic and rubber product manufacturing. Six of these companies employ more than 200 employees while two companies, Woodbridge Foam Corp. and Progressive Moulded Products, employ more than 500 and 1,000 people respectively.



Source: Statistics Canada



Source: Statistics Canada

• **Agriculture**

The agricultural industry remains a significant component of the economy of York Region, despite the loss of farmland to development pressures. In 2001, over 40% of the land in the Region was farmland, of which 73.7% was under production. With a total of 1,020 farms, gross farm receipt at \$1,071 per acre was the third highest in the GTA. The dominant commodity groups on the basis of gross farm receipts were vegetable, followed by greenhouse products and poultry and egg. On the basis of number of farms, miscellaneous specialty was the largest category followed by cattle, dairy, grain, oilseed and vegetable. The largest groupings within the miscellaneous specialty category were horse and pony followed by nursery and greenhouse. With over 20,000 horses and a total economic impact in excess of \$450 million per year in revenues and capital investment, the Region was one of the most active equestrian industry clusters in North America.

Export Driven Economy

A key factor driving the Region’s economy is its export success. In 2003, York Region businesses exported \$12.5 billion worth of commodities. Exporting more than Manitoba, Saskatchewan or any of the Atlantic Provinces, York Region’s export performance in terms of share of GDP rivals the export performance of the Canadian economy as a whole.

The Region’s export markets are significantly more diversified than other jurisdictions. York Region exports to 117 countries with 84.3% of its exports going to the United States, while Ontario sells only 8.3% of its exports to countries outside of the United States. The next largest export destination for York Region companies is the European Union, followed by Japan and China. Within the United States, York’s exports are diversified by destination

with exports going to every state, Puerto Rico and the U.S. Virgin Islands.

The Region’s international market diversification may be a reflection of its own ethnic diversity, with exporters reaching out to countries of their origin, where personal experience, family and business ties are providing access and a better understanding of market opportunities. This market diversification also offers less vulnerability to downturns in the North American market and indicates that the Region is well positioned to expand the volume of exports to these countries.

The top four exports by industry represent 55.7% of total exports. Each of the four industries - transportation equipment manufacturing, machinery and equipment, computer and electronic manufacturing, and plastics and rubber products manufacturing - serve different markets.

With \$7.7 billion of exports being transported by roads, the transportation system is indispensable to the prosperity of York Region. Approximately \$3.2 billion of York’s exports cross the border at Windsor, followed by Fort Erie at \$2.8 billion, and Sarnia at \$1.6 billion.

Given the importance of exports to the growth of the York Region economy, ensuring an efficient road and transportation infrastructure in the Region is a critical economic priority. In addition, issues such as border crossing congestion also impact York Region companies and threaten the ability to attract and retain investment in industries such as automotive parts where “just-in-time” logistics and integrated supply chain management are critical to continued businesses with U.S.-based automotive OEM’s.

Revenues & Profitability

The structure and scale of York Region's economy can also be measured by the revenue generated by its industries, by showing the extent of the financial flows into the Region's enterprises. In 2001, York Region enterprises generated an estimated \$118 billion in revenue. Enterprises in the Finance and Insurance industries ranked highest, contributing over \$16 billion in revenue. The next top six industries which include Service, Manufacturing and Construction generated over \$5.7 billion each. The revenue generated by these top ranked industries clearly indicates the diversity of the Region's economy.

One of the best indicators of industry performance is a measure of profitability. While some industries may generate significant revenue, the Region's economic interests are best served by having profitable industries. York's enterprises generated an estimated \$4.8 billion in profit in 2001, led by Finance and Insurance industries and Management of Companies and Enterprises industries, each generating over \$1 billion. The third ranked industry by profit was Real Estate industries accounting for \$397 million of the Region's profits.

Research & Development

The Region's enterprises reported only 0.8% of Canada's R&D expenditures, and this level of activity appears to be low compared to the rest of Canada. However, it should be noted that R&D spending are affected by a wide variety of factors, and that various kinds of R&D activity may not be captured in the statistics. An analysis of the trend over time and a more detailed analysis by industry offer more positive insights. From 1994 to 2001, the Region's total R&D spending increased by 208%, with Machinery up 557%, other Electronic Products 161%, total Manufacturing 666%, Computer and Related Services 211%, and Engineering and Scientific Services up 393%. If these rates continue into the future, the total level of R&D spending will improve significantly. The challenge will be to provide the conditions to attract companies and highly skilled technical workers to sustain research and development activities within the Region. Closer linkages to the universities and colleges to stimulate contract research and commercialization potential is an important component of the Region's long-term strategy.